

CDCI ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

BankAsiana

Point of Contact:	Frank J. Gleeson	RSSD: (For Bank Holding Companies)	0
UST Sequence Number:	938	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	5,250,000	FDIC Certificate Number: (For Depository Institutions)	58525
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	September 29, 2010	City:	Palisades Park
Date Repaid ¹ :	N/A	State:	New Jersey

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

☒ **Increase lending or reduce lending less than otherwise would have occurred.**

BankAsiana's received CDCI funding on September 29, 2010. Total loans have increased \$14.8 million, or 13.8%, from \$107.5 million as of September 30, 2010 to \$122.4 million as of April 30, 2011.

☒ **To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).**

Small business commercial real estate and commercial and industrial loans.

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☒ **Increase securities purchased (ABS, MBS, etc.).**

BankAsiana has increased its investment in mortgage backed securities, in particular GNMA, FHLMC and FNMA securities, \$3.2 million, or 27.3%, from \$11.7 million as of September 30, 2010 to \$14.9 million as of April 30, 2011.

☐ **Make other investments.**

☒ **Increase reserves for non-performing assets.**

During the period from September 30, 2010 to April 30, 2011, BankAsiana has provided \$1.4 million for loan loss reserves and has increased its ratio of reserves to total loans from 1.65% to 1.85%.

☐ **Reduce borrowings.**

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X Increase charge-offs.

During the period from September 30, 2010 to April 30, 2011, BankAsiana experienced approximately \$718,000 in charged off loans resulting from an increase in non-performing assets. The Bank was able to provide for these losses through the increase to the loan loss reserves mentioned above.

X Purchase another financial institution or purchase assets from another financial institution.

In April 2011, BankAsiana successfully purchased an existed bank branch in Flushing, NY. This transaction allowed the Bank to cross state lines into the State of New York for future expansion opportunities

X Held as non-leveraged increase to total capital.

The Bank's assets have grown \$5.6 million, or 3.8% during the period September 2010 through April 2011. In comparison, the Bank's level of equity capital has grown from pre-CDCI level of approximately \$18 million to over \$24 million including CDCI funding as of April 2011. The Bank's Tier

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What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

None

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What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

As mentioned above, the Bank was successfully able to acquire a branch in the State of New York. In addition, the Bank was able to expand its trade finance operations to further serve the Asian community which it serves. As a de novo bank, these events required the Bank to file and seek approval of a new Business Plan with the FDIC and the New Jersey Department of Banking. The Bank received approval from both regulators in December 2010, and those approvals were partially based on the Bank's ability to raise the additional capital through the CDCI program. With this capital infusion, the Bank was able to demonstrate that it would continue to maintain a well-capitalized position throughout the planning period.

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Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

See all above.